

January 18, 2001

David J. Modeen, Director
Engineering
Nuclear Generation Division
Nuclear Energy Institute
1776 I Street, NW Suite 400
Washington, DC 20006-3708

SUBJECT: Revised Industry Steam Generator Program License Change Package

Dear Mr. Modeen:

On February 4, 2000, the Nuclear Energy Institute (NEI) provided the NRC staff with its proposed steam generator generic change package which was prepared under the industry initiative NEI 97-06. At the time of the Indian Point Unit 2 steam generator failure which occurred February 15, 2000, NRC and NEI had made significant progress toward developing a revised regulatory framework for assuring steam generator integrity based on NEI 97-06. As you are aware, the staff suspended its review of NEI 97-06 as a result of regulatory activities associated with the Indian Point Unit 2 steam generator tube failure.

On December 11, 2000, NEI submitted a revised Industry Steam Generator Program License Change Package. As you stated in your letter, the revised package supercedes the earlier version in its entirety. We plan to resume work on NEI 97-06 in the near future. After we complete our review of the revised generic change package, we plan to prepare a safety evaluation related to the revised steam generator regulatory framework. This safety evaluation will provide background on the existing regulatory framework and the reasons why it needs to be revised. The safety evaluation will contain a technical evaluation of the proposed new regulatory framework. The NRC's Steam Generator Action Plan, which is available on the Internet at www.nrc.gov/NRC/REACTOR/IP/index/html, has a milestone date of July 1, 2001, for the publication for public comment of the safety evaluation of NEI 97-06.

An NRC/NEI senior management meeting is scheduled for February 16, 2001. At this meeting we will be discussing recent NRC and industry steam generator related activities and their implications for the review of NEI 97-06. We will also discuss the review schedule.

David J. Modeen

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The staff and industry spend significant resources on steam generator tube integrity issues. To improve efficiency and effectiveness in the area of steam generators, we recognize the importance of working with NEI to complete the review of NEI 97-06.

Sincerely,

/ra by RHWessman f/

Jack R. Strosnider, Director
Division of Engineering
Office of Nuclear Reactor Regulation

cc:

Jim Riley, NEI

Ralph Beedle, NEI

David J. Modeen

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cc:
Jim Riley, NEI
Ralph Beedle, NEI

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